

CONTINUING EDUCATION INFORMATION

RE 250 (Rev. 3/00)

INTRODUCTION

All license renewal applicants must prove compliance with the Business and Professions Code (Real Estate Law) and Commissioner's Regulations pertaining to continuing education (CE) requirements. Except for the first renewal of a real estate salesperson, all renewal applicants must satisfactorily complete a total of 45 clock-hours of approved offerings, including the specific subjects shown below, within the four-year period immediately preceding license renewal. The requirements must also be met for each subsequent renewal of the license.

As a result of 1998 legislation (AB 447 Kuykendal), the continuing education renewal requirements were changed. The changes affect all licensees, salespersons and brokers who renew their license on or after January 1, 1996.

COURSE REQUIREMENTS**Real Estate Salesperson (*first renewal only*)**

Not required to complete the full 45 hours of approved continuing education. Must complete:

- A three-hour course in *ethics*
- A three-hour course in *agency*
- A three-hour course in *fair housing*
- A three-hour course in *trust fund handling*

Real Estate Salespersons and Brokers (*except first renewal for salesperson*)**✓ First Renewal Effective on or After 1/1/96 (*Except first renewal for salesperson*)**

Must complete a total of 45 clock-hours of approved continuing education courses which includes:

- A three-hour course in *ethics*
- A three-hour course in *agency*
- A three-hour course in *fair housing*
- A three-hour course in *trust fund handling*
- At least 18 hours of courses specifically designated as *consumer protection* courses
- An additional 15 hours of approved courses, which may be designated as either *consumer protection* or *consumer service* courses

✓ Second & Subsequent Renewals After 1/1/96 (*i.e. effective on or after 1/1/2000*)

Must complete a total of 45 hours of approved continuing education courses which includes:

- A *six-hour survey* course covering the four mandatory course subjects of ethics, agency, fair housing and trust fund handling
- At least 18 hours of courses specifically designated as *consumer protection* courses

- The remaining courses necessary to complete a total of 45 hours of approved courses. These remaining courses may be designated as either *consumer protection* or *consumer service* courses.

TESTING

Real Estate Law provides that all correspondence type CE offerings will require the successful completion of an appropriate form of testing, examination or evaluation in order for the licensee to receive credit.

CERTIFICATE OF ATTENDANCE

Upon successful completion of an offering, the offering entity [Department of Real Estate (DRE) approved sponsor] is required to furnish the participant with either an *exam failure notice* or a *certificate of completion*. Evidence of the successful completion of an offering must then be listed on a Continuing Education Course Verification (RE 251) (provided by the DRE) and be submitted with the application for renewal of a license. Renewal applications are to be filed no earlier than 90 days prior to the expiration of a license.

EXCLUSION FROM CE REQUIREMENT

The only exemption to the CE requirement is for those individuals who have been a licensee in good standing for 30 continuous years in this State and who are 70 years of age or older.

GENERAL QUESTIONS AND ANSWERS

The following series of questions and answers are provided to help you better understand the CE program and its requirements.

1. Q. It is my understanding that Section 10170.5 of the Business and Professions Code was amended and that, effective January 1, 1996, the continuing education course requirements change based on how many times you've renewed your license. Who will be affected by this new law?
 - A. The new law will affect all real estate salespersons and brokers who have a renewal effective date on or after January 1, 1996. This includes existing licensees as well as all individuals who initially obtain a real estate license on or after January 1, 1996.
2. Q. On or after January 1, 1996, what will the renewal requirements be for a real estate salesperson who is renewing for the first time?
 - A. The requirements for a real estate salesperson who is renewing for the first time are different from the renewal requirements for all other real estate licensees. Due to the fact that real estate salespersons are required to initially qualify for licensure by submitting evidence of completing a course in *real estate principles* and by completing two

additional college-level courses either before or within 18 months of licensure, these individuals are not required to complete the full 45 hours of continuing education for their first renewal. A real estate salesperson who is renewing for the first time must complete three-hour courses in each of the following areas *agency, ethics, trust fund handling*, and *fair housing* in order to qualify for renewal.

3. Q. On or after January 1, 1996, what will the initial renewal requirements be for real estate salespersons who have been licensed for more than one term and for real estate brokers?

A. All salespersons, with the exception of those renewing for the first time, and all real estate broker licensees are required to complete a full 45 hours of continuing education for each license renewal. For the initial renewal effective on or after January 1, 1996, the law will require, as part of the 45 hours of continuing education, completion of four three-hour courses in *agency, ethics, trust fund handling*, and *fair housing*. These licensees will also be required to complete a minimum of 18 hours of courses related to *consumer protection*. The remaining hours required to complete the 45 hours of continuing education may be related to either *consumer service* or *consumer protection*, at the option of the licensee.

4. Q. What will the renewal requirements be for licensees who renew for the second time after January 1, 1996 and for all subsequent renewals?

A. All licensees, when renewing for the second and all subsequent renewals after January 1, 1996, will be required to complete, as part of the 45 hours of continuing education, (which includes the minimum 18 hours of *consumer protection* courses) a *six-hour survey* course covering all four of the mandatory subjects (*agency, ethics, trust fund handling*, and *fair housing*).

5. Q. I only hold an officer license, what CE do I need to complete to renew my license?

A. You would be subject to the same requirements as a real estate broker, for any renewal you would be required to complete 45 hours of CE. If this is the *first* renewal of your officer license after January 1, 1996, you must complete the four individual three-hour courses in *ethics, agency, fair housing* and *trust fund handling*. In addition, you must complete 33 additional hours of approved CE, of which at least 18 hours must be in the *consumer protection* category.

For your *second or subsequent* renewal after January 1, 1996, as part of the 45-hour CE requirement, you will need to complete a *six-hour survey* course covering the four required topics of *ethics, agency, fair housing* and *trust fund handling*. In addition, you must complete 39 additional hours of approved CE, of which at least 18 hours must be in the *consumer protection* category.

6. Q. I hold an officer license as well as my broker license, do I need to complete CE to renew both licenses?

A. As long as you maintain a current individual broker license in addition to an officer license, you will not need to submit proof of completing CE to renew your officer license.

7. Q. When do I take the *six-hour survey* course vs. the four separate courses in *ethics, agency, fair housing* and *trust fund handling*?

A. For the *first* renewal of a license after January 1, 1996, all licensees must complete the four individual three-hour courses in *ethics, agency, fair housing* and *trust fund handling*. In addition, all licensees, except salespersons renewing for the first time, must complete 33 additional hours of approved CE, of which at least 18 hours must be in the *consumer protection* category.

For a licensee's *second and all subsequent* renewals after January 1, 1996, as part of the 45-hour CE requirement, a licensee will need to complete a *six-hour survey* course. The six-hour course will provide the licensee with an update and summary covering the four required topics of *ethics, agency, fair housing* and *trust fund handling*.

8. Q. Instead of taking the *six-hour survey* course, can I just complete the four individual courses in *ethics, agency, fair housing* and *trust fund handling*?

A. Yes. If a licensee chooses to complete the four individual courses in lieu of the *six-hour survey* course, they will be accepted toward the licensee's renewal requirement. However, you must complete all four of the required courses.

9. Q. Are pre-license required college level courses (i.e., real estate principles, real estate practice, legal aspects of real estate, etc.) acceptable for fulfilling CE requirements?

A. Yes, a licensee who has completed one of the pre-license qualification courses identified in Business and Professions Code Section 10153.2 can also use that course toward satisfying their CE requirement, as long as the course was completed within the four years immediately preceding their license renewal. However, completion of one of the statutory courses will not satisfy the entire CE requirement. You will still be required to complete the four mandatory three-hour courses in *ethics, agency, fair housing* and *trust fund handling* or the *six-hour survey* course, whichever is applicable. Also, if the course provider has not submitted the course to the Department for CE approval, you must petition the Department for equivalent CE credit. You can contact the Department's Education Section at (916) 227-0894 to receive information on how to petition for equivalent CE credit.

10. Q. If I renew my license late, what date is used to determine if my completed classes were within the four-year period, the actual renewal date or the earlier date of license expiration?

- A. The actual date the license is renewed is used in determining if CE requirements have been met. All classes must have been completed within four years of the actual date the license is renewed. Course credit expires four years from the course completion date
11. Q. What date is used to determine the *completion date* of a correspondence course, the date the final exam is taken, the date the sponsor grades my exam, or is there some other criteria?
- A. The *completion date* is the date the final exam is successfully completed (taken). It is not necessarily the date the sponsor grades or issues the certificate of completion, unless of course this is done the same day the exam is completed (taken).
12. Q. It is time to renew my license and I have to let DRE know I've completed CE requirements. What do I do?
- A. The license renewal applicant must submit, on a form prescribed by DRE, specific information to establish that he or she has satisfied CE requirements. The form, a Continuing Education Course Verification (RE 251), will be furnished to you by DRE with your license renewal application, which is sent as a courtesy only.
13. Q. Are *ethics, agency, fair housing* and *trust fund handling* courses ever approved by DRE for more than three hours of credit? If so, will the excess time be accepted toward the total 45-hour requirement and under what category?
- A. Yes. If any of these mandatory courses are approved by DRE for more than three hours, the excess time will automatically be credited to the *consumer protection* category.
14. Q. Once I complete a CE course, who keeps record of my credit? Does the course sponsor report it to DRE?
- A. Upon successful completion of a DRE approved CE course the sponsor is required to provide a completion certificate to the licensee. This certificate should be retained by the licensee in a safe place for future use when completing a license renewal application. It should *not* be sent to DRE unless specifically requested to do so. DRE does not keep a file of completion certificates or maintain an ongoing account of credits earned by licensees.
15. Q. I've lost or misplaced my continuing education attendance certificates. How may I obtain duplicates?
- A. It is the responsibility of all DRE approved sponsors to maintain CE offering records for a period of five years from the date of the offering. DRE does not have or keep such records. You should contact the sponsor and obtain a duplicate copy/copies. *[You may be charged a fee for the duplicate(s).]* It is strongly suggested that duplicate copies of completion certificates be made when first received. Copies should then be placed with other important papers for future use in the event the sponsor is no longer in business at the time your renewal is due. If you have difficulty locating the sponsor, DRE's Education Section will be able to furnish the sponsor's last known address of record to you.
16. Q. Recently, I passed the salesperson examination and have submitted my license application and fee to DRE. I have not yet received the license, but would like to attend a CE seminar being offered in my area. Will the credit I earn from attending the seminar count toward the next renewal of my license?
- A. CE credit must be earned within the four-year period immediately preceding the renewal of a license. Since you have not yet received your license, you cannot be sure the effective date of this license will be prior to the CE offering you wish to attend. It would be wise to wait until you have actually received your license before attending a CE offering, if you wish to use the credit for renewal.
17. Q. Can a sponsor deny me the right to register for an approved CE offering?
- A. Yes, a CE course provider can structure a course to be presented strictly to a particular audience, i.e., the employees of one office or franchise.
18. Q. Are there certain basic disclosures a sponsor should make known to a potential participant of a CE offering?
- A. Yes. Before an individual formally registers for an offering, the sponsor should make clear:
- The sponsor's policy regarding:
 - attendance controls and requirements,
 - refunding of fees or portions thereof,
 - re-examination provisions, if applicable,
 - cancellation of offering.
 - Prerequisites for admission or participation, if any.
 - Category under which the course is approved (i.e., *ethics, agency, fair housing, trust fund handling, consumer protection* or *consumer service*).
- Note:** When registering for a course, especially by telephone, licensees should always use caution when giving out credit card information. Make sure you are fully informed of why the information is needed, how it will be used and what you will receive (i.e., course materials, texts, etc.) as well as a full understanding of the sponsor's refund policy.
19. Q. I am enrolled in a *correspondence course*. When I have completed all the required assignments, may I name or suggest to the sponsor who I wish to administer (monitor) the final exam?
- A. Yes. Sponsors who arrange for testing to be conducted at a location other than their (sponsor's) place of business, or by someone other than themselves, may allow the licensee to suggest an individual that meets certain criteria to proctor the final examination, however the sponsor makes

the final selection. Final exams may not be sent to the licensee or returned by the licensee. When the final exam is monitored by someone other than the sponsor, only the monitor may receive and return the exam.

20. Q. Does DRE automatically approve real estate courses offered by colleges and universities?

A. No. All courses offered for CE credit are required by law to be reviewed and approved by DRE regardless of who the sponsor is.

21. Q. Are *live* review type sessions allowed as part of an approved correspondence offering?

A. Yes. Although correspondence courses are designed to be *home-study* type courses, a sponsor may offer a lecture type review session prior to a student completing the final examination. The final examination may also be conducted in a classroom setting.

22. Q. Are final exams for continuing education correspondence courses “open” or “closed” book?

A. Either. Commissioner's Regulation 3007.3 was amended effective December 27, 1996 to allow for an open book examination. It is up to the course sponsor whether the examination is open or closed book.

23. Q. If I attend an all day conference that has been approved for CE credit, do I have to take an exam at the end of the day?

A. Not necessarily. Effective January 1, 1998, the requirement for an exam at the conclusion of a live presentation of an approved CE offering was eliminated. However a course sponsor can require a participant complete a final exam.

24. Q. Does DRE ever monitor CE offerings? If so, how many people actually do the monitoring?

A. These questions are often asked of the DRE Education Section, and the answers to the respective questions are “yes” and “many thousands.”

The surprised response is usually, “I didn’t realize the DRE had that many employees.” We don’t; however, in addition to DRE’s own course monitoring program, we have the help of many interested and concerned licensees who furnish *voluntary information* that helps the DRE enforce CE regulations and improve attendance control and exam procedures of the offerors.

Sponsors of approved CE offerings are required to maintain records evidencing that participants who receive certificates of credit actually attended 90% or more of the entire offering. These records generally consist of *sign-in/sign-out* sheets showing the amount of time the participants have actually been absent from the offering program. If the records indicate more than the allotted time for absenteeism, the sponsor is prohibited by law and regulation from awarding credit for the offering.

Experience to date has shown that most CE sponsors are doing an excellent job in enforcing the attendance requirements. However, violations by some sponsors have resulted in formal disciplinary action by DRE.

Both licensees attending CE offerings and sponsors thereof are encouraged to contact DRE’s Education Section if falsifying of records is observed or should a lack of proper attendance control be evident.

When reporting such information, a full explanation of the problem should be submitted, with names and addresses of persons involved, name of CE sponsor, name of CE program and certificate number, date and place of program and reporting licensee’s name, address, and telephone number.

Information should be sent to the DRE’s Education Section at the address listed below. The name of the individual submitting the information is not required but is encouraged, should DRE require additional information in its investigation of the alleged violation.

25. Q. How may I find out who the CE sponsors are who have offerings that are currently approved for CE credit?

A. A list of approved sponsors and their offerings is available for viewing at all DRE district offices. The list may not be purchased at the district offices; however, if you wish to obtain a copy, submit a CE Course List Request (RE 301) along with a \$5.00 fee to:

Department of Real Estate
Accounting Section
P.O. Box 187000
Sacramento, CA 95818-7000

ADDITIONAL QUESTIONS

If you have any questions regarding continuing education requirements, you may contact:

Department of Real Estate
Licensing Information Section
P.O. Box 187000
Sacramento, CA 95818-7000
(916) 227-0931